

Chapter-VII

Financial Wellness and Gold Investment of Marwari Businessmen

Introduction

Financial wellness referred to the multi-faceted concept that described the overall financial health of an individual. It was comprehensively the multidimensional concept incorporating financial satisfaction, objective status of financial situation, financial attitudes, and behaviour. Wilson (1967), showed that both personality and demographic factors were correlated with subjective wellbeing. It could be stated that the happy person was a young ,healthy, well educated, well paid, extroverted optimistic, worry free, religious, married person with high self esteem, job morale, modest aspirations of either sex and of a wide range of intelligence. Campbell, Converse and Rodgers (1976), studied the well being of American and found that demographic variables such as age, income and education did not account for much variance in reports of wellbeing echoing earlier findings by Bradburn, N.M. (1969) and others. Financial wellness is a symptom of adequacy of gold investment and gold investment is a pre condition for the financial wellness of any community of the world. Here, among the Marwari businessmen also, the fact implies similarly.

Hypothesis Considered in the Chapter

H₀: There is no significant association between financial wellness and investment in gold.

This chapter attempted to examine the relationships between investment behaviour of Marwari businessmen with respect to gold and their financial wellness. In this chapter, the following tables illustrated the relationship between the financial wellness and different variables such as gender, ownership type, pattern of investment, annual income etc.

| Table- 7.1 | | |
|--|----------|-------------|
| Gender wise Financial Well Ness | | |
| Gender | N | Mean |
| Male | 362 | 24.7845 |
| Female | 42 | 25.0000 |
| Total | 404 | 24.8069 |

Source: Compiled from Questionnaire

In the given table gender wise average financial wellness presented.

| Table-7.2 | | |
|---|----------|-------------|
| Type of Ownership and Financial Wellness | | |
| Ownership Type | N | Mean |
| Sole-Proprietorship | 253 | 24.7708 |
| Partnership | 104 | 24.9231 |
| Company | 31 | 25.1613 |
| Joint Venture | 3 | 27.0000 |
| HUF | 13 | 23.2308 |
| Total | 404 | 24.8069 |

Source: Compiled from Questionnaire

The table revealed the average financial wellness of any type of business ownership was almost same.

| Table-7.3 | | | |
|--------------------------------------|------------------|----------------|-------------------------|
| Pattern of Investment in Gold | | | |
| Type of Gold Investment | Responses | | Percent of Cases |
| | N | Percent | |
| Physical Gold | 236 | 69.8% | 84.9% |
| Certificate Form of Gold | 34 | 10.1% | 12.2% |
| Mixed | 47 | 13.9% | 16.9% |
| Gold mining share | 8 | 2.4% | 2.9% |
| Gold Accounts | 13 | 3.8% | 4.7% |
| Total | 338 | 100.0% | 121.6% |

Source: Compiled from Questionnaire

In the Table-7.3, number of respondents were 338 which was more than 278 due to the multiple responses of the respondents.

| Table-7.4 | | |
|---|----------|-------------|
| Financial wellness and Annual Income | | |
| Annual Income | N | Mean |
| Below Rs 2 Lakhs | 83 | 24.9639 |
| 2 Lakhs- 4 Lakhs | 145 | 24.4621 |
| 4 Lakhs - 6 Lakhs | 87 | 24.1494 |
| 6 Lakh - 8 Lakh | 28 | 25.9286 |
| More than 8 Lakhs | 61 | 25.8361 |
| Total | 404 | 24.8069 |

Source: Compiled from Questionnaire

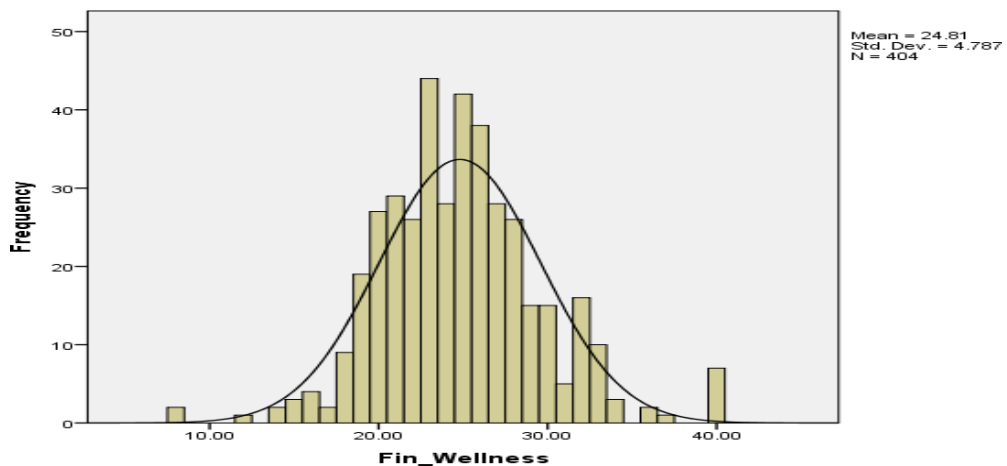
The Table-7.4 reveals that the average mean of annual income in each slab with respect to financial wellness was almost close to 25%. No significant difference was seen in each slab.

| Level of Financial Wellness and types of investment | | Table-7.5 Level of Financial Wellness as per Types of Investment | | | | | Total |
|---|--------------------------|---|---------------------------------|--------------------------------------|----------------------------------|---------------------------------------|-------|
| | | Very Low Level of Financial Wellness | Low Level of Financial Wellness | Moderate Level of Financial Wellness | High Level of Financial Wellness | Very High Level of Financial Wellness | |
| Type of Gold Investment | Physical Gold | 3 | 40 | 138 | 46 | 9 | 236 |
| | Certificate Form of Gold | 1 | 9 | 20 | 3 | 1 | 34 |
| | Mixed | 1 | 6 | 28 | 11 | 1 | 47 |
| | Gold mining share | 0 | 2 | 6 | 0 | 0 | 8 |
| | Gold Accounts | 0 | 1 | 11 | 1 | 0 | 13 |
| Total | | 4 | 48 | 162 | 54 | 10 | 278 |

Source: Compiled from Questionnaire

The Table-7.5 portrayed that 162 respondents out of 278 possessed the moderate level of financial wellness.

Figure- 7.1
Financial Wellness



Source: Compiled from Questionnaire

Figure no-7.1 showed the normal distribution with regard to financial wellness.

Analysis and Findings

To examine the relationship between investment behaviour of Marwari Businessmen with respect to gold and their financial wellness, a questionnaire was developed. There were 8 attributes identified to assess the financial wellness of investors. The respondents were asked to give their opinion on a five point scale. The score of 5 was given to denote a very good level of financial wellness and 1 was used to denote very low level of financial wellness. Thus, the maximum score that can be scored by a respondent was 40 (8X5) and minimum possible score was 8 (8X1). The interval of $40-8=32$ was divided by 5 since there were five different levels of financial wellness which came to 6.4. Thus, the first range of financial wellness score was $8 - 14.4$ ($8+6.4$) that indicated very low level of financial wellness.

Similarly other levels of financial wellness were calculated and it was presented in the exhibit- 7.1.

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|-------------------------|---|-------------------|
| .700 | .704 | 8 |

Source: Compiled from Questionnaire

The given table-7.6 shows the reliability of the data. The coefficients of Cronbach's Alpha with respect to the considered dimension were found to be .700 a very high value of Cronbach's alpha is indicative of very high degree of reliability of scale. It also showed that the items were highly co-related. Cronbach's alpha=0.700 was considered to be good measure of reliability of scale.(Nunnally,1978).It also indicated that the items considered for measuring the latent variable were actually measuring the latent variable.

| Attributes | Mean | Std. Deviation | N |
|--|-------------|-----------------------|----------|
| My Level of Financial Stress | 3.01 | .963 | 404 |
| My Satisfaction with Financial Situation | 3.13 | .999 | 404 |
| My feelings About Current financial Situation | 3.15 | 1.088 | 404 |
| I can't Afford to Go Out beyond my financial limits | 3.10 | 1.111 | 404 |
| I am Living Pay check to pay check | 3.07 | .966 | 404 |
| I am worry about my living Expenses | 3.25 | 1.129 | 404 |
| I have Confidence Regarding Financial Emergency | 2.98 | 1.088 | 404 |
| I have Stress About Finances in General | 3.13 | 1.070 | 404 |

Source: Compiled from Questionnaire

The table was showing the insignificant variance with respect to mean and significant variation with respect to std.deviation. It also showed the different levels of financial wellness. Here, it was found that the attribute -I am worry about my living Expenses|| attracted highest level of mean, i.e, 3.25 followed by -My feelings About Current financial Situation|| which was 3.15. -My Satisfaction with Financial Situation|| and -I have Stress About Finances in Generall|| attracted same mean which was 3.13.The lowest mean, i.e.2.98 was found in the attribute -I have Confidence Regarding Financial Emergency||.

| Table-7.8 | | | |
|-------------------------|-----------------|-----------------------|-------------------|
| Scale Statistics | | | |
| Mean | Variance | Std. Deviation | N of Items |
| 24.81 | 22.915 | 4.787 | 8 |

Source: Compiled from Questionnaire

In the table, overall mean was 24.81 which fell in the category of moderate level of financial wellness as per exhibit- 7.1. Thus, it could be inferred that overall level of financial wellness of Marwari businessmen in Guwahati city is of moderate level.

| Table -7.9 | | | | |
|--|------------------|----------------|----------------------|---------------------------|
| Level of Financial Wellness | | | | |
| Attributes | Frequency | Percent | Valid Percent | Cumulative Percent |
| Very Low Level of Financial Wellness | 5 | 1.2 | 1.2 | 1.2 |
| Low Level of Financial Wellness | 64 | 15.8 | 15.8 | 17.1 |
| Moderate Level of Financial Wellness | 235 | 58.2 | 58.2 | 75.2 |
| High Level of Financial Wellness | 87 | 21.5 | 21.5 | 96.8 |
| Very High Level of Financial Wellness | 13 | 3.2 | 3.2 | 100.0 |
| Total | 404 | 100.0 | 100.0 | |

Source: Compiled from Questionnaire

The table represented that there were 235 numbers of Marwari investors who have moderate level of financial wellness followed by 87 numbers of investors who have high level of financial wellness and 64 numbers of investors who have low level of financial wellness. There were 13 numbers of Marwari Investors who have very high level of financial wellness and 5 numbers of Marwari Businessmen who have very low level of financial wellness.

VII.3. a. Relationship between investment in physical form of gold and level of financial wellness

The relationship between financial wellness and investment in physical form of gold was presented in the table-7.10.

| Types of gold with feedback | | Level of Financial Wellness | | | | | Total |
|-----------------------------|-----|--------------------------------------|---------------------------------|--------------------------------------|----------------------------------|---------------------------------------|-------|
| | | Very Low Level of Financial Wellness | Low Level of Financial Wellness | Moderate Level of Financial Wellness | High Level of Financial Wellness | Very High Level of Financial Wellness | |
| Physical Gold | Yes | 3 | 40 | 138 | 46 | 9 | 34 |
| | No | 2 | 24 | 97 | 41 | 4 | 370 |
| Total | | 5 | 64 | 235 | 87 | 13 | 404 |

Source : Compiled from Questionnaire

| Cramer's V | Value | Approx. Sig. |
|------------------|-------|--------------|
| | .073 | .703 |
| N of Valid Cases | 404 | |

Source: Compiled from Questionnaire

However, the relationship was not significant since the significance value of Cramer's V test was not less than 0.05 (5% Level of significance) as shown in the table -7.11. It meant the relationship as found in the table was not traceable in the population, meaning thereby, there was no association between financial wellness and investment in physical Gold.

VII.3. b. Relationship between investment in certificate form of gold and level of financial wellness

The table portrayed the relationship between financial wellness and investment in certificate form of gold.

| | | Level of Financial Wellness | | | | | Total |
|--------------------------|-----|--------------------------------------|---------------------------------|--------------------------------------|----------------------------------|---------------------------------------|-------|
| | | Very Low Level of Financial Wellness | Low Level of Financial Wellness | Moderate Level of Financial Wellness | High Level of Financial Wellness | Very High Level of Financial Wellness | |
| Certificate Form of Gold | Yes | 1 | 9 | 20 | 3 | 1 | 34 |
| | No | 4 | 55 | 215 | 84 | 12 | 370 |
| Total | | 5 | 64 | 235 | 87 | 13 | 404 |

Source: Compiled from Questionnaire

| Table-7.13 | | |
|------------------------------|--------------|---------------------|
| Symmetric Measures-II | | |
| Cramer's V | Value | Approx. Sig. |
| | .125 | .177 |
| N of Valid Cases | 404 | |

Source: Compiled from Questionnaire

From the table it was evident that there was no significant relationship between the investment behaviour of Marwari businessmen and the financial wellness with respect to investment in certificate form of gold which was popularly known as gold ETF since the significance value of Cramer's V test was not less than 0.05 (5% Level of significance) as shown in table -7.13.

VII.3. c. Relationship between investment in Mixed Form of Gold and level of financial wellness

The table- 7.14 reflected the relationship between financial wellness and investment in mixed form of gold.

| Table-7.14 | | | | | | | |
|---|------------|---|--|---|---|--|--------------|
| Mixed form of Gold and the level of Financial Wellness | | | | | | | |
| | | Level of Financial Wellness | | | | | Total |
| | | Very Low Level of Financial Wellness | Low Level of Financial Wellness | Moderate Level of Financial Wellness | High Level of Financial Wellness | Very High Level of Financial Wellness | |
| Mixed | Yes | 1 | 6 | 6 | 11 | 1 | 47 |
| | No | 4 | 58 | 207 | 76 | 12 | 357 |
| Total | | 5 | 64 | 235 | 87 | 13 | 404 |

Source: Compiled from Questionnaire

| Table-7.15 | | |
|-------------------------------|--------------|---------------------|
| Symmetric Measures-III | | |
| Cramer's V | Value | Approx. Sig. |
| | .049 | .916 |
| N of Valid Cases | 404 | |

Source: Compiled from Questionnaire

The table- 7.15 reflected the significant relationship between financial wellness and mixed form of gold investment with significance value of 0 .049 (Cramer's V test) which was less than or equal to 0.05(5% Level of significance).

VII. 3. d. Relationship between shares of gold mining companies and level of financial wellness

The table-7.16 representing the relationship between financial wellness and investment in shares of gold mining companies .6 numbers of respondents out of 8 numbers were having moderate level of financial wellness.

| | | Level of Financial Wellness | | | | | Total |
|--|------------|--------------------------------------|---------------------------------|--------------------------------------|----------------------------------|---------------------------------------|-------|
| | | Very Low Level of Financial Wellness | Low Level of Financial Wellness | Moderate Level of Financial Wellness | High Level of Financial Wellness | Very High Level of Financial Wellness | |
| Shares of Gold mining Companies | Yes | 0 | 2 | 6 | 0 | 0 | 8 |
| | No | 5 | 62 | 229 | 87 | 13 | 396 |
| Total | | 5 | 64 | 235 | 87 | 13 | 404 |

Source: Compiled from Questionnaire

| Cramer's V | Value | Approx. Sig. |
|-------------------------|--------------|---------------------|
| | .085 | .566 |
| N of Valid Cases | 404 | |

Source: Compiled from Questionnaire

From the table- 7.17, it was apparent that there was no significant relationship between the financial wellness and the investment behaviour towards the investment in shares of gold mining companies since the significance value of Cramer's V test was not less than 0.05(5% Level of significance).

VII.3. e. Relationship between investment in gold accounts and level of financial wellness

The table-7.18 depicted the relationship between financial wellness and investment in gold account.

| | | Level of Financial Wellness | | | | | Total |
|----------------------|------------|--------------------------------------|---------------------------------|--------------------------------------|----------------------------------|---------------------------------------|-------|
| | | Very Low Level of Financial Wellness | Low Level of Financial Wellness | Moderate Level of Financial Wellness | High Level of Financial Wellness | Very High Level of Financial Wellness | |
| Gold Accounts | Yes | 0 | 1 | 11 | 1 | 0 | 13 |
| | No | 5 | 63 | 224 | 86 | 13 | 391 |
| Total | | 5 | 64 | 235 | 87 | 13 | 404 |

Source: Compiled from Questionnaire

| Table- 7.19 Symmetric Measures-V | | |
|-------------------------------------|-------|--------------|
| Cramer's V | Value | Approx. Sig. |
| | .099 | .410 |
| N of Valid Cases | 404 | |

Source: Compiled from Questionnaire

From the data in the table -7.18, it was clear that there was no significant relationship between the financial wellness and the investment behaviour of Marwari businessmen towards gold account. In the table- 7.19, it was pertinent that the significance value of Cramer's V test was not less than 0.05 (5% Level of Significance). This signifies that the relationship as found in the table was not available in the population.

VII. 4. Conclusion

The overall level of financial wellness of the investors in Guwahati city was of moderate degree. There was no association between financial wellness and investment in gold in any form except mixed form of gold. It was inferred that investment in gold did not decide the level of financial wellness of the people, given the test and methodology. There was no significant association between financial wellness and investment in gold emerged as the outcome, conclusion of the study can further be forwarded for next researcher for test and verification.